

Associated Oregon Loggers, Inc.

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April 24, 2025

The Honorable Nancy Nathanson, Chair House Committee On Revenue Oregon State Capitol Salem, OR 97301

Subject: HB 3489 (base bill and -1) - Oppose

Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee:

For the record, my name is Amanda Sullivan-Astor, Forest Policy Manager at Associated Oregon Loggers and a certified forester. AOL represents over 1,000 small, family-owned businesses that work in Oregon's forests — including loggers, road builders, reforestation crews, and timber haulers. We urge your opposition to HB 3489 and the proposed -1 amendment.

Although the -1 amendment modifies portions of the base bill, the fundamental impacts remain the same. Both versions are bad for Oregon's forest sector, our rural communities, and our member businesses. We oppose both the base bill and the amendment.

The original bill ties tax rates to forest ownership size, unfairly penalizing larger operators. The -1 amendment imposes a flat 5% severance tax, but without reducing the overall financial harm. HB 3489 would increase harvest taxes by 500% to 800% compared to today's Forest Products Harvest Tax. This massive burden would nearly triple the total tax load on Oregon's forest sector, with devastating effects on small businesses and rural employment.

Oregon forest operators already face significant regulatory and cost pressures. Adding a new, volatile severance tax will greatly increase costs, reduce competitiveness, and threaten the viability of many small businesses. Severance tax rates based on pond value or stumpage value inject price volatility into our business models. Predictable and stable tax policy has helped Oregon grow into a world leader in sustainable forestry. HB 3489 disrupts that stability at a time when maintaining rural economic strength and wildfire resilience is crucial.

Oregon has some of the most highly regulated forestlands in the world and many landowners additionally apply third party sustainability certification systems on top of them. However, the bill gives limited tax relief only to operations certified under the Forest Stewardship Council (FSC), a lesser used standard and one that does not have any interface with the operator community. In contrast, the Sustainable Forestry Initiative (SFI) is coordinated with AOL and requires operators to become qualified through a training and education program called the Oregon Professional Logger Program managed and maintained by our organization. This program requires education about forest regulations and best management practices; business management and law; employee supervision and moral; worker safety regulations and creating a culture of safety; and forest ecology and silviculture among others. Excluding this and other certification systems and disregarding the significant environmental regulations systems already in statute and rule in Oregon shows a clear misunderstanding of on-the-ground forestry and forest operation realities.

HB 3489 also eliminates critical mechanisms for accountability within the wildland fire framework in Oregon. The bill dismantles the Emergency Fire Cost Committee and the Oregon Forest Land Protection Fund, stripping out key tools for statewide wildfire cost-sharing and preparedness. Additionally, the



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proposed Wildfire Management Fund is capped and exposes funding to political shifts, rather than maintaining a stable, accountable system that forest operators helped build.

Logging and wood products are the economic backbone for dozens of rural Oregon counties. Every new cost and regulatory burden drives forests to go unmanaged, increases the chance of wildfire, poses job loss and contributes to community suffering. Oregon is the best place in the world for growing trees — not because of taxation, but because of stewardship and expertise developed over generations. HB 3489 and the -1 amendment threaten to unravel that success.

Associated Oregon Loggers urges you to reject HB 3489 and instead support policies that protect sustainable forest management, rural jobs, and wildfire resilience.

Respectfully,

Amanda Sullivan-Astor, CF

Forest Policy Manager; Associated Oregon Loggers

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